



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/643,274	08/22/2000	Adam Hall	ICLS 1001-2	8657
22470	7590	12/08/2003	EXAMINER	
HAYNES BEFFEL & WOLFELD LLP P O BOX 366 HALF MOON BAY, CA 94019			SMITH, JEFFREY A	
			ART UNIT	PAPER NUMBER
			3625	

DATE MAILED: 12/08/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application N .

09/643,274

Applicant(s)

HALL ET AL

Examiner

Jeffrey A. Smith

Art Unit

3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 10 September 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-33 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 22 August 2000 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. §§ 119 and 120

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 13) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application) since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.
- a) ☐ The translation of the foreign language provisional application has been received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121 since a specific reference was included in the first sentence of the specification or in an Application Data Sheet. 37 CFR 1.78.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 5.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_.

Art Unit: 3625

## **DETAILED ACTION**

### ***Response to Amendment***

The cancellation of claims 34-49 in the Amendment transmitted 10 September 2003 is acknowledged. Claims 1-33 remain pending and an action on the merits follows.

### ***Specification***

Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure concerns," "The disclosure defined by this invention," "The disclosure describes," etc.

Art Unit: 3625

The legal phraseology "means" is noted in the Abstract.

### ***Drawings***

The drawings are objected to because the figures do not observe required margins and Figure 16 should not span two separate sheets. A proposed drawing correction or corrected drawings are required in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-33 are rejected under 35 U.S.C. 101 because, although they are viewed as providing a useful, concrete, and tangible result, they do not involve technology in any meaningful respect so as to effect any step of the recited method. It is noted that certain recitations such as "electronically recorded", "electronically receiving", and "electronically sending" are present in various claims.

Art Unit: 3625

However, such recitations do not amount to technology which effects the method in a material sense. See MPEP 2106.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-8, 24-26, and 29 are rejected under 35 U.S.C. 102(e) as being anticipated by Broerman (U.S. Patent No. 6,594,633 B1).

Broerman discloses a method of clearing conditions for closing a real estate transaction (see Abstract). Steps include registering digital identifications of parties (col. 6, lines 34-36); entering a plurality of agreed closing instructions including a plurality of conditions (col. 8, lines 20-34); repeatedly receiving the digital identification from one of the parties and an instruction to mark one or more conditions

Art Unit: 3625

as cleared (col. 15, lines 60-61); and closing the real estate transaction when all of the conditions have been marked as cleared (col. 8, lines 56-65).

The Broerman method further includes establishing an electronically accessible trust account and receiving and disbursing funds to settle accounts at closing (col. 14, lines 59-63; col. 4, lines 7-12; and col. 7, lines 58).

The Broerman method further includes entering passive conditions and corresponding passive conditions deadlines (such as failing to set a closing date: col.16, lines 22-35). Deadlines for contingencies and extensions for deadlines are discussed at col. 15, line 60-col. 16, line 42).

The Broerman method provides for determining whether instructions to mark one or more conditions as cleared is tendered by an authorized party (Note: buyers and sellers are registered users with assigned user login names and passwords (col. 10, lines 35-43). Moreover, Broerman provides for the recognition of digital signatures for the legal authorization of his entirely electronic transaction (col. 6, lines 34-40). Inherently, such recognition ensures that a determination is made that only an authorized party (i.e. a party having the required digital signature) is the party tendering the instruction to mark one or more conditions as cleared.

Art Unit: 3625

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 9-23, 27, 28, and 30-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Broerman (U.S. Patent No. 6,594,633 B1) in view of Klein, Jeffrey S.: "Ending Confusion on Real Estate Terms", The Los Angeles Times [Home Edition], Feb. 25, 1988, page 7 (hereafter referred to as "Klein").

The Broerman method does not disclose a step including causing a deed to be recorded. The Broerman method, however, is disclosed in order to achieve the assistance required by the buyer and seller a complete real estate transaction (col. 8, lines 56-59). Further, Broerman discloses that facilitators may participate as desired or required in order to complete the transaction. Facilitators include lawyers, mortgage providers, title providers, etc... (col. 8, lines 59-65).

Art Unit: 3625

Now comes Klein. Klein reports that customary advice from real estate experts includes terminology commonly referred to as a "title" (which is proof of ownership). Such title passes to a buyer when a property deed has been properly signed, notarized and recorded (see Klein: "Title").

It would have been obvious to one of ordinary skill in the art to have provided the method of Broerman to have included a step of causing a notarized deed to the property to have been recorded (especially in an electronic manner as taught by Broerman) in order to have provided the buyer with a legally recognized proof of ownership of the property which forms the basis for the transaction (see Klein: "Title").

The Broerman method does not disclose that a title insurance condition is entered. The Broerman method, however, is disclosed in order to achieve the assistance required by the buyer and seller a complete real estate transaction (col. 8, lines 56-59). Further, Broerman discloses that facilitators may participate as desired or required in order to complete the transaction. Facilitators include lawyers, mortgage providers, title providers, etc... (col. 8, lines 59-65).

Returning to Klein. Klein reports that customary advice from real estate experts includes terminology that is commonly referred to as "title insurance" (which is an insurance policy



Art Unit: 3625

on the title search). Such title insurance is a mutable contingency of the type already disclosed by Broerman (col. 8, lines 27-33).

It would have been obvious to one of ordinary skill in the art to have provided the method of Broerman to have included a step of including a title insurance condition in order to have defined a transaction which included insurance covering losses from encumbrances that were not found, but should have been found, during the title search (see Klein: "Title insurance").

Regarding claims 12-19, 22, and 23: These claims recite specifics regarding the form and requirements of agreeing to and executing a particular title insurance policy order. As the nature of real estate transactions vary widely, so does the nature of the form and requirements of any given title insurance agreement. Although the specifics recited in these claims are not provided by the Broerman/Klein combination, it would have been obvious to one of ordinary skill in the art to have provided the specific title insurance condition recited and to have negotiated such in a manner already disclosed by Broerman with regard to other conditions in order to have facilitated a complete transaction as arrived at by the negotiating parties. The particular form and requirements of the agreement would represented one possible combination of the numerous

Art Unit: 3625

combinations that the skilled artisan would have found obvious for the purposes already taught by Klein.

The Broerman method does not disclose that agreed closing instructions include payoff of an existing loan owed by a seller to an existing lender. The Broerman method, however, is disclosed in order to achieve the assistance required by the buyer and seller a complete real estate transaction (col. 8, lines 56-59). Further, Broerman discloses that facilitators may participate as desired or required in order to complete the transaction. Facilitators include lawyers, mortgage providers, title providers, etc... (col. 8, lines 59-65).

Returning again to Klein. Klein reports that customary advice from real estate experts includes a term which is commonly referred to as "encumbrance" (which is any legal claim against the property). A lender has a legal claim to the property when a the property itself is used as collateral (see Klein: "Trust deed or deed of trust"). The removal of any encumbrance upon a property is a mutable contingency of the type already disclosed by Broerman (col. 8, lines 27-33).

It would have been obvious to one of ordinary skill in the art to have provided the method of Broerman to have included a step of including seller loan payoff condition in order to have defined a transaction which would have removed such encumbrance

Art Unit: 3625

in order to have removed the lender's legal claim to the property. (see Klein: "Trust deed or deed of trust" and "Encumbrance").

### **Conclusion**

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Keithley et al. (U.S. Patent No. 5,584,025) discloses an apparatus and method for interactive communication for tracking and viewing data including a transaction processing database which generates and confirms appointments and significant dates for all parties involved in a real estate transaction (col. 8, lines 26-36).

Davis (U.S. Patent No. 6,219,423 B1) discloses a system and method for digitally signing a digital agreement between remotely located nodes.

Haron, David L.: "A commercial real estate closing checklist", The Practical Real Estate Lawyer", Philadelphia PA, July 1993, Vol. 9, Iss. 4; page 79 [ISSN/ISBN: 87560372] discloses a real estate closing checklist.

Gleit, Marsha: "Seeking a paperless environment", Mortgage Banking, Washington D.C., Aug. 1997, Vol. 57, Iss. 11; page 62

Art Unit: 3625

[ISSN/ISBN: 07300212] discloses what a paperless environment might look like to future homebuyers (see page 4 of 6).

"Ocwen Technology Xchange Introduces Realtrans(SM), a Web-Centric e-commerce Solution for real Estate Transactions", PR Newswire, New York NY, Dec. 7, 1998, page 1 discloses REALTRANS.

Stein, Joshua: "Preparing for the commercial real estate closing (part 1)", The Practical Real Estate Lawyer, Philadelphia PA, July 1999, Vol. 15, Iss. 4; page 67 [ISSN/ISBN 87560372] discusses commercial real estate closing and recommends a closing checklist.

Stein, Joshua: "Preparing for the commercial real estate closing (part 2)", The Practical Real Estate Lawyer, Philadelphia PA, Sept. 1999, Vol. 15, Iss. 5; page 79 [ISSN/ISBN 87560372] is a continuation of part 1 of the title reported above.

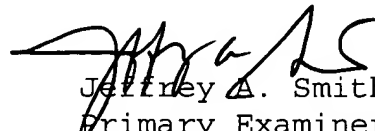
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey A. Smith whose telephone number is 703-308-3588. The examiner can normally be reached on M-F 6:30am-6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone number for the

Art Unit: 3625

organization where this application or proceeding is assigned is  
703-305-7687.

Any inquiry of a general nature or relating to the status  
of this application or proceeding should be directed to the  
receptionist whose telephone number is 703-308-1113.

  
Jeffrey A. Smith  
Primary Examiner  
Art Unit 3625

jas